



# **BadgerCare Plus 2014 Modified Adjusted Gross Income (MAGI) Basics & Upcoming Letters**

September 17, 2013

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# Goals for Today's Discussion

- Provide descriptions of letters being mailed to members impacted by upcoming changes to BadgerCare Plus
- Provide basic information regarding the new Modified Adjusted Gross Income (MAGI) eligibility rules



# BadgerCare Plus Policy Changes: Parents & Caretaker Relatives

- Eligible at or below 100% FPL
  - No monthly premiums
  - No insurance access and coverage test
  - Receive Standard Plan Benefits
- Over 100% FPL → will have access through the Marketplace



# BadgerCare Plus Policy Changes: Adults without Dependent Children

- Eligible at or below 100% FPL
  - Receive Standard Plan Benefits – a full benefits plan
  - No monthly premiums or annual enrollment fee
  - No Processing fee
  - No mandatory HNA (Health Needs Assessment)
  - No insurance access and coverage test
- Over 100% FPL → Access through Marketplace

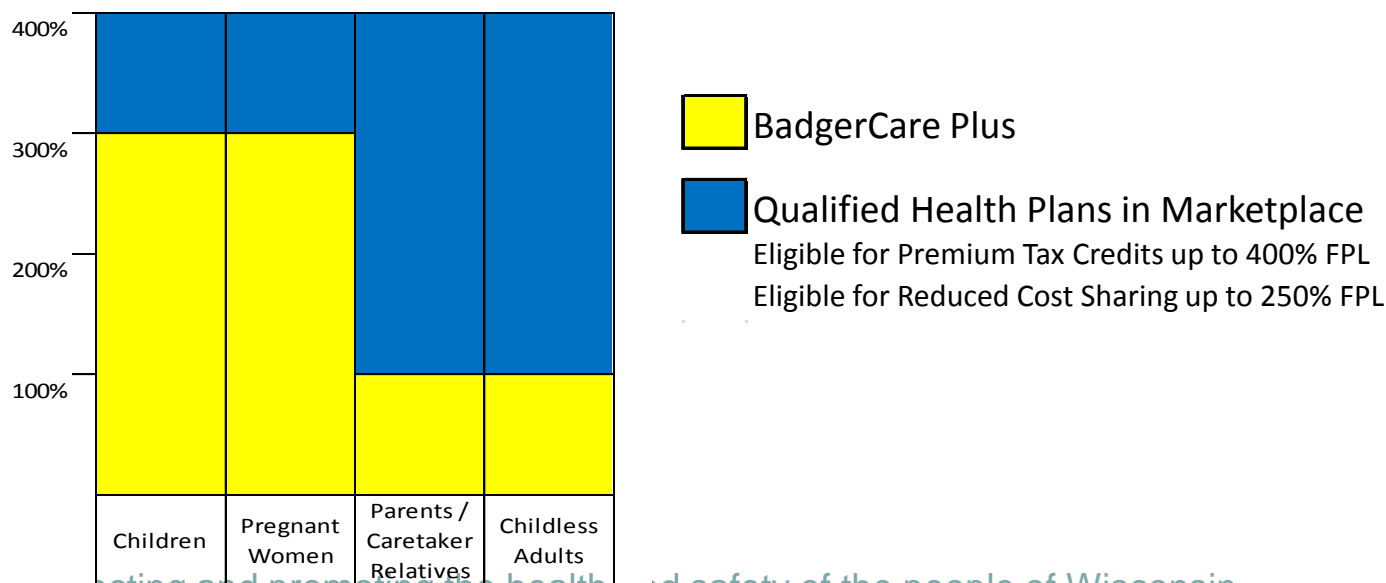


# BadgerCare Plus Policy Changes: Children

- Eligible at or below 300% FPL
  - Monthly premiums for those above 200% FPL
- Over 300% FPL → Marketplace

# BadgerCare Plus Financial Eligibility Summary Chart

The following chart displays the income limits for potential BadgerCare Plus members. It also displays the income levels to qualify for assistance with Qualified Health Plans in the Marketplace for coverage beginning on or after January 1, 2014:



# 2013 Federal Poverty Levels

## Monthly Income Levels by Family Size

Family size	100% FPL	120% FPL	133% FPL	135% FPL	150% FPL	200% FPL	250% FPL	300% FPL
1	\$957.50	\$1,149.00	\$1,273.48	\$1,292.63	\$1,436.25	\$1,915.00	\$2,393.75	\$2,872.50
2	\$1,292.50	\$1,551.00	\$1,719.03	\$1,744.88	\$1,938.75	\$2,585.00	\$3,231.25	\$3,877.50
3	\$1,627.50	\$1,953.00	\$2,164.58	\$2,197.13	\$2,441.25	\$3,255.00	\$4,068.75	\$4,882.50
4	\$1,962.50	\$2,355.00	\$2,610.13	\$2,649.38	\$2,943.75	\$3,925.00	\$4,906.25	\$5,887.50



# Letters to Members – an Overview

- Mailings target those who may be affected by the changes to BadgerCare Plus programs
- Populations include the following:
  - Adults on BadgerCare Plus (Benchmark & Standard) and BadgerCare Plus Core Plan over 100% of the Federal Poverty Level (FPL) and Children over 300%
  - BadgerCare Plus members enrolled in extensions between 100 and 133% FPL
  - Individuals on the Core Plan Wait List
  - Adults enrolled in BadgerCare Plus Basic Plan





# Goals of the Letters

- Inform members ahead of time that it appears that they will no longer be eligible for Badger Care Plus as of January 1, 2014 due to new income limit rules
- Provide new thresholds for BadgerCare Plus eligibility in 2014
- Provide information about the federal Health Insurance Marketplace, also known as the Exchange, and encourage them to apply for benefits to avoid a gap in coverage
- Let members know where to call if they have questions

# Identifying Each Letter

Each letter is numbered in the lower left-hand corner, so members will have an easy time identifying it for workers or stakeholders if they have any questions about the letter they received.

Example: The letter going out to individuals on the Core Plan Waiting List is “Letter 3.”



# Letter 1: BadgerCare Plus Members

- Audience: Adults on BadgerCare Plus and Core Plan above 100% of the Federal Poverty Level (FPL) and Children above 300% FPL
- Lets members know it looks like they no longer meet the new BadgerCare Plus eligibility rules beginning January 1, 2014
- Provides information about the federal Marketplace
- Reminds members to report changes, as changes may allow them to remain eligible for BadgerCare Plus



## Letter 2: BadgerCare Plus Members in Extensions

- Audience: BadgerCare Plus members between 100 and 133% FPL currently in extensions (sometimes called “Transitional Medicaid or TMA”)
- Lets members know that they will now have to pay a premium to stay enrolled in BadgerCare Plus
- Tells members they will receive another notice in December telling them the premium amount and how to pay the premium
- Tells members when their first premium payment is due (January 10, 2014)
- Reminds members to report changes, as they could be eligible for BadgerCare Plus without a premium

# Letter 3: Individuals on Core Plan Wait List

- Audience: Individuals on the Core Plan Wait List
- Informs recipient that the Core Plan Wait List is ending
- Explains the FPL changes and new thresholds for BadgerCare Plus eligibility in 2014, which will now include adults without dependent minor children
- Explains how to apply for coverage through the Marketplace or for BadgerCare Plus, depending on their income



# Letter 4: Members on BadgerCare Plus Basic Plan

- Audience: Individuals on the BadgerCare Plus Basic Plan
- Informs individual that the Basic Plan will end, as of Dec. 31, 2013
- Explains the FPL changes and new thresholds for BadgerCare Plus eligibility in 2014, which will now include adults without dependent minor children
- Explains how to apply for coverage through the Marketplace or for BadgerCare Plus, depending on their income



## Letter 5: Members on BadgerCare Plus Basic Plan in December

- Audience: Individuals enrolled in the BadgerCare Plus Basic Plan as of Dec. 15, 2013
- Lets individual know that the Basic Plan officially ends at the end of the month (Dec. 31, 2013)
- Provides information about the federal Health Insurance Marketplace



# Outreach Timeline

Date	Milestone
07/16/2013	Begin establishing Regional Enrollment Networks
08/15/2013	Regional Enrollment Network Identification
09/16/2013	Regional Enrollment Network Operations Plan Complete
09/23/2013	Current BadgerCare Plus Members Notified of Potential Changes
09/28/2013	Core Plan Waitlist / Basic Plan Members Notified of Potential Changes
10/01/2013	DHS Targeted Call Outreach Begins for Transitioning Members
10/01/2013	Marketplace Open Enrollment Begins
11/18/2013	DHS Begins Processing Applications Transferred from Marketplace
11/23/2013	DHS begins notifying Members of Coverage Changes Effective January 1, 2014
12/15/2013	Marketplace Enrollment Deadline for Coverage Effective January 1, 2014
01/01/2014	New BadgerCare Plus Coverage Changes Effective
03/31/2014	Marketplace Open Enrollment Ends





# Letters for Members - Online

These letters can be found online at  
[dhs.wisconsin.gov/health-care/training/index.htm](http://dhs.wisconsin.gov/health-care/training/index.htm)

For current information on all DHS outreach and other initiatives:

<http://www.dhs.wisconsin.gov/health-care/>

# What is “MAGI”?

- MAGI = Modified Adjusted Gross Income
- Refers to new household composition and budgeting rules
- Members and applicants will be asked some different questions about their tax status, tax dependents, and tax deductions
- Introduced by PPACA to align BadgerCare Plus eligibility rules with tax rule-based policy in the Marketplace

# Who is Subject to MAGI Rules?

- BadgerCare Plus Members:
  - Children
  - Parents / caretakers
  - Pregnant women
  - Childless adults
- Family Planning Only Services (FPOS) members are subject to MAGI income rules, but always with a group size of one

# Who is Not Subject to MAGI Rules?

- MAGI rules do ***not*** apply to:
  - Elderly, blind and disabled groups
    - Elderly, Blind and Disabled (EBD) Medicaid
    - Long-Term Care (LTC) Waiver Enrollees
    - SeniorCare
    - QMB, SLMB, SLMB+
    - MAPP
    - Well Woman Medicaid
  - Categorically eligible populations
    - Former Foster Care Youth

# When will members subject to MAGI Rules?

- ACCESS changes
  - Updated November 16, 2013
- Income Limits
  - Mass change November 23, 2013
  - Effective January 1, 2014
- MAGI budgeting rules
  - New Applicants → MAGI rules as of January 1, 2014
  - Existing Members → MAGI rules beginning April 1, 2014 or at next renewal, whichever is later

# Something to Keep in Mind

While it is important for everyone to know these new rules and how they differ from the current rules for determining eligibility, please remember that IM workers determine eligibility.

This information will allow you to help applicants to submit complete and accurate applications.



# MAGI Rules

- Income
- Deductions
- Household Composition
- **Please Note:** DHS will be providing an even more in-depth training on MAGI rules later this fall, including examples of how households will be formed

# BadgerCare Plus Income

Under MAGI, countable income = taxable income. This includes (but is not limited to):

- Taxable Earned Income
- Taxable Net Self-Employment Income
- Unemployment Compensation
- Alimony/Spousal Maintenance
- Social Security Income



# BadgerCare Plus Income

Some common income types that will **NOT** be counted for BadgerCare Plus eligibility include:

- Child Support
- Supplemental Security Income (SSI)
- Workers' Compensation
- Veterans Benefits



# New Types of Countable Income

- Financial aid, if used for living expenses
- All Tribal per capita payments
- AmeriCorps income
- Taxable retirement, pension and annuities
- Interest & dividends
- Lump sum income counted in month received

# Whose income is counted?

- In general, everyone in an assistance group will have their income counted
- In some cases, children and tax dependents' income will not be counted, if their income is so low that they are not required to file taxes

# Tax Deductions

- Pre-tax deductions are allowed as deductions
  - For example, contributions to health savings accounts
- Tax deductions listed on page 1 of Tax Form 1040 are also allowed. Examples include:
  - Student loan interest paid
  - Higher education expenses
  - Self-employment tax
- Itemized deductions are not allowed



# Questions?

Don't forget, you can submit questions online to [dhshealthcare@wisconsin.gov](mailto:dhshealthcare@wisconsin.gov)\*

**\*Note:** Do not send personal health information or personally identifiable information to the inbox